

Compliance of Hotel Horison Ultima Ratu Serang With DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 And Minister of Tourism Regulation No. 2 of 2014: A Qualitative Case Study

Supriana

Department of Islamic Economics, Graduate School, Ibn Khaldun University Bogor.
Email: yatnasupri05@gmail.com

Hambari

Department of Islamic Economics, Graduate School, Ibn Khaldun University Bogor.
Email: hambari@uika-bogor.ac.id

Trisiladi Supriyanto

Department of Islamic Economics, Graduate School, Ibn Khaldun University Bogor.
Email: trisiladi.supriyanto@uika-bogor.ac.id

Abstract

Driven by the expanding halal tourism market, a growing number of conventional hotels in Indonesia have begun aligning their operational practices with Sharia principles. Nevertheless, empirical scholarship evaluating the operational alignment of conventional lodging establishments with national Sharia standards specifically DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 and Ministry of Tourism and Creative Economy Regulation No. 2 of 2014 remains conspicuously sparse. To bridge this empirical void, this study assesses the level of regulatory compliance at Hotel Horison Ultima Ratu in Serang, Banten, against these established governance benchmarks. Utilizing a qualitative single-case study design, primary data were collected from January to March 2026 via direct field observations, document reviews, and semi-structured interviews with five key organizational stakeholders. Data were analyzed using the interactive framework of Miles, Huberman, and Saldaña, with methodological rigor and validity safeguarded through dual source and method triangulation. The empirical evidence reveals that while the property demonstrates substantial compliance in offering halal-certified culinary operations, dedicated worship facilities, and Muslim-friendly guest amenities, key operational disparities persist across fundamental governance dimensions. Specifically, the institution lacks formal Sharia hotel certification, a Sharia Supervisory Board (DPS), standardized guest verification procedures, and integration with Islamic financial services. These institutional limitations stem primarily from internal corporate policies, strategic market positioning, and the non-mandatory character of the existing regulatory framework. Ultimately, this study contributes to the literature on Sharia hospitality governance by proposing an empirical evaluation framework and offering strategic insights for conventional hotels seeking transition toward a halal-compliant model.

Keywords: Halal Tourism, Sharia Hotel, Regulatory Compliance.

Abstrak

Didorong oleh ekspansi pasar pariwisata halal, semakin banyak hotel konvensional di Indonesia yang mulai menyelaraskan praktik operasional mereka dengan prinsip-prinsip Syariah. Kendati

demikian, literatur empiris yang mengevaluasi keselarasan operasional penyedia akomodasi konvensional terhadap standar Syariah nasional khususnya Fatwa DSN-MUI No. 108/DSN-MUI/X/2016 dan Peraturan Menteri Pariwisata dan Ekonomi Kreatif No. 2 Tahun 2014 masih sangat terbatas. Untuk mengisi celah empiris ini, studi ini menguji tingkat kepatuhan regulasi di Hotel Horison Ultima Ratu, Serang, Banten, terhadap tolok ukur tata kelola yang telah ditetapkan. Menggunakan desain studi kasus tunggal kualitatif, data primer dikumpulkan dari Januari hingga Maret 2026 melalui observasi lapangan langsung, penelaahan dokumen, dan wawancara terstruktur bersama lima pemangku kepentingan kunci organisasi. Data dianalisis menggunakan model interaktif Miles, Huberman, dan Saldaña, dengan keabsahan dan validitas metodologis yang dijaga melalui triangulasi ganda atas sumber dan metode. Bukti empiris menunjukkan bahwa meskipun properti ini menunjukkan kepatuhan yang tinggi dalam menyediakan operasional kuliner bersertifikat halal, fasilitas ibadah yang memadai, dan kenyamanan tamu ramah Muslim, ketidaksesuaian operasional utama masih ditemukan pada dimensi tata kelola mendasar. Secara spesifik, entitas ini belum memiliki sertifikasi resmi hotel Syariah, Dewan Pengawas Syariah (DPS), prosedur verifikasi tamu yang terstandarisasi, serta integrasi dengan layanan keuangan Syariah. Keterbatasan institusional ini utamanya bersumber dari kebijakan internal korporasi, posisi pasar strategis, dan sifat regulasi saat ini yang tidak bersifat wajib (non-mandatory). Pada akhirnya, penelitian ini memberikan kontribusi pada literatur tata kelola hospitalitas Syariah dengan mengajukan kerangka evaluasi empiris serta menawarkan wawasan strategis bagi hotel konvensional yang ingin bertransisi menuju model yang patuh Syariah.

Kata kunci: *Pariwisata Halal, Hotel Syariah, Kepatuhan Regulasi.*

INTRODUCTION

Throughout the preceding decade, the global halal economy has underwent substantial diversification past its traditional focus on food products, incorporating Islamic banking, pharmaceuticals, cosmetics, and hospitality. Halal-conscious tourism has notably developed into a highly dynamic market segment, propelled by an expanding demographic of Muslim travelers desiring commercial services that accommodate their religious practice obligations (Battour & Ismail, 2016; Mastercard & CrescentRating, 2024). Positioned as the host of the largest national Muslim population worldwide, Indonesia possesses solid demographic and socio-cultural capital to advance this industry, a status substantiated by its primary positioning in the Global Muslim Travel Index (GMTI) 2023 (CrescentRating, 2023). Leveraging these inherent advantages, Indonesian policymakers have institutionalized halal tourism as a key national priority to augment global market competitiveness while fulfilling the burgeoning international demand for Muslim-friendly travel ecosystems.

Serving as a fundamental anchor of the halal tourism ecosystem, the hospitality domain plays a pivotal role in delivering an integrated, seamless experience for Muslim travelers. Sharia-compliant hotels operationalize this requirement by aligning their

service delivery and physical infrastructure with Islamic jurisprudence most notably through verified halal-certified culinary provisions, dedicated prayer spaces, and environments structured to exclude non-compliant practices (Rosenberg & Choufany, 2009). Beyond merely accommodating market dynamics, operating within a Sharia framework embodies a institutional commitment to advancing the core tenets of *Maqāṣid al-Sharī'ah*, particularly the preservation of faith (*ḥifẓ al-dīn*), morality, and wealth (*ḥifẓ al-māl*) (Satriana & Faridah, 2018; Hambari & Ayuniyyah, 2022).

Recent studies have shifted the discussion of halal tourism from merely providing halal facilities toward strengthening halal tourism governance. Effective governance is considered an essential determinant of successful implementation because it coordinates regulatory enforcement, stakeholder participation, destination branding, and institutional accountability (Haryanto et al., 2024).

To stimulate the development of the halal tourism industry, Indonesian administrative bodies and Islamic authorities have established regulatory instruments that define operational standards for Sharia-compliant accommodation providers. Central to these governance efforts are the National Sharia Board Indonesian Council of Ulama (DSN-MUI) Fatwa No. 108/DSN-MUI/X/2016 on Guidelines for the Execution of Sharia-Based Tourism and the Ministry of Tourism and Creative Economy Regulation No. 2 of 2014 on Guidelines for Sharia Hotel Operations. Collectively, these statutory frameworks codify the requisite parameters for Muslim-friendly hospitality by establishing criteria governing halal-certified food and beverage management, prayer infrastructure, ethical service execution, Islamic financial integration, and corporate oversight—structured around the *Hilal 1* and *Hilal 2* hotel classification tiers (DSN-MUI, 2016; Ministry of Tourism and Creative Economy, 2014).

The implementation of these regulations can be effectively evaluated through Compliance Theory, which posits that organizations are expected to comply with legal and normative standards to obtain legitimacy, maintain stakeholder trust, avoid reputational risks, and achieve organizational effectiveness (Tyler, 2006; Mukhtar & Butt, 2012). Within the hospitality industry, compliance is reflected not only in adherence to formal administrative rules but also in the practical consistency of daily hotel operational practices with religious and state standards. Thus, Compliance Theory

provides an appropriate theoretical model for analyzing regulatory implementation in hotel management.

Prior scholarly inquiries have extensively investigated halal tourism across dimensions such as destination development, tourist satisfaction, consumer loyalty, halal certification, and strategic marketing (Ahmad & Rustam, 2018; Zulkifli & Rahman, 2021; Fadilah et al., 2022). While these studies consistently affirm that halal infrastructure and Muslim-friendly services enhance visitor satisfaction and destination competitiveness, the existing literature predominantly adopts macro-level destination approaches or relies on managerial perceptions. Consequently, there remains a critical dearth of empirical evaluations assessing the daily operational compliance of individual hospitality establishments against specific regulatory frameworks (Battour & Ismail, 2016; Mashuri, 2020).

Furthermore, several empirical studies investigating DSN-MUI Fatwa No. 108/2016 and Permenparekraf No. 2/2014 (e.g., Mulyanah, 2019; Hasanah, 2020; Subarkah, 2021; Rahayu et al., 2025) tend to present two significant analytical limitations: (1) relying heavily on descriptive approaches that analyze compliance from a single regulatory perspective (either solely the fatwa or solely the ministerial regulation separately), and (2) focusing primarily on fully certified Sharia hotels rather than conventional hotels adopting Muslim-friendly concepts.

These limitations reveal an important research gap: empirical evidence remains sparse regarding how conventional star-rated hotels catering to mixed market segments implement Sharia regulations in their daily operations, the extent of their compliance, and the structural factors that facilitate or hinder such compliance. Furthermore, few studies evaluate compliance by simultaneously employing religious (DSN-MUI Fatwa) and governmental (Permenparekraf) regulatory frameworks as an integrated dual-compliance analytical instrument.

Addressing this gap is particularly crucial in regions with strong religious characteristics, such as Banten Province—often referred to as the "City of Santri". Hotel Horison Ultima Ratu Serang, Banten, is a major four-star hotel that operates conventionally while heavily incorporating Muslim-friendly services to serve local MICE, government, and family markets. High public expectations in Banten create a

unique operational dynamic where the hotel must balance commercial inclusivity with Sharia regulatory alignment.

In response to these literature gaps, this research adopts a qualitative case-study methodology to rigorously evaluate the operational adherence of Hotel Horison Ultima Ratu Serang to the regulatory standards set forth in DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 and Ministry of Tourism and Creative Economy Regulation No. 2 of 2014. The empirical significance and scholarly contribution of this study are grounded in the following key dimensions:

1. Extending Compliance Theory and *Maqāṣid al-Syarī'ah* within the hospitality sector.
2. Integrating dual regulatory frameworks (religious and legal-formal standards) into a single, comprehensive compliance assessment model.
3. Providing empirical insights into how conventional hotels respond to halal tourism requirements, thereby supporting the development of sustainable Muslim-friendly hotel governance and regulatory policies in Indonesia.

RESEARCH METHODS

To investigate the operationalization of Sharia compliance within hospitality management, this research utilizes a qualitative single-case study design. This methodological strategy is well-suited for capturing the granular nuances, managerial decision-making processes, and contextual variables that shape regulatory adherence within real-world organizational environments (Yin, 2018). The study was conducted at Hotel Horison Ultima Ratu Serang, Banten, Indonesia, between January and March 2026. The hotel was selected purposively because it operates as a conventional four-star hotel while providing Muslim-friendly services, making it an appropriate case for evaluating compliance with Indonesian Sharia tourism regulations.

1. Participants

Informants were selected via purposive sampling, prioritizing individuals directly involved in management and operational decision-making related to Sharia compliance (Patton, 2015). The six key informants participating in this study included:

- a. General Manager;

- b. Front Office Manager;
- c. Food and Beverage Manager;
- d. Housekeeping Manager;
- e. Human Resources Manager; and
- f. Marketing Manager.

All participants had served at the hotel for over three years, giving them a comprehensive understanding of its operational policies and service standards. Data collection continued until reaching thematic saturation, marked by the point at which subsequent interviews yielded no new themes or substantial insights (Guest et al., 2020).

2. Data Collection

Primary empirical evidence was acquired via semi-structured qualitative interviews, direct field observations, and institutional document analysis. The interview protocol was operationalized around compliance benchmarks systematically derived from DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 and Ministry of Tourism and Creative Economy Regulation No. 2 of 2014, evaluating operational adherence across five core dimensions of Sharia governance:

- a. halal food and beverage management;
- b. worship facilities and Muslim-friendly services;
- c. guest management procedures;
- d. financial and business governance; and
- e. institutional commitment to Sharia implementation.

Each session spanned approximately 45 to 90 minutes and was audio-recorded following the explicit informed consent of the participants. Direct field observations were executed to evaluate physical infrastructure and verify real-time operational workflows, while institutional documentation encompassing Standard Operating Procedures (SOPs), corporate policies, halal certification records, promotional assets, and internal administrative files was analyzed to triangulate and corroborate the interview data.

3. Compliance Assessment Criteria

Compliance was evaluated by comparing empirical findings with the regulatory requirements specified in DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 and Minister of Tourism Regulation No. 2 of 2014. Each indicator was classified into one of three categories:

Compliance Level	Operational Definition
Fully Compliant	All regulatory requirements were implemented and verified through interviews, observations, and documentary evidence.
Partially Compliant	Some regulatory requirements were implemented, while others remained incomplete or inconsistently applied.
Non-Compliant	Regulatory requirements were absent, not implemented, or contradicted existing operational practices.

This classification enabled a systematic assessment of the extent to which hotel operations complied with applicable Sharia tourism regulations.

4. Data Analysis

Qualitative data were processed in accordance with the interactive analytical framework established by Miles, Huberman, and Saldaña (2020), which encompasses four continuous, interconnected stages: data collection, data condensation, data display, and conclusion formulation and verification. The interview transcripts were coded inductively and grouped into thematic categories matching the regulatory compliance indicators. To ensure robustness, interview findings were triangulated with observational and documentary evidence, allowing for the identification of recurring patterns, verification of data consistency, and uncovering of operational gaps in regulatory implementation.

5. Trustworthiness

To ensure methodological rigor, credibility, and trustworthiness, the study implemented a comprehensive validation framework incorporating source triangulation, method triangulation, and member checking. Source triangulation was achieved by cross-validating empirical accounts collected from stakeholders across distinct managerial hierarchies. Methodological triangulation was operationalized through the synthesis and convergent validation of data gathered via semi-structured interviews, direct observational field notes, and internal document analysis. Furthermore, participant feedback was secured through member checking, wherein synthesized transcriptions and primary interpretations were reviewed by key informants to ensure interpretive fidelity and establish construct validity.

6. Research Ethics

Prior to data collection, all participants received a comprehensive briefing regarding the research objectives and voluntarily provided written informed consent. To safeguard their privacy, participants were guaranteed complete confidentiality, with assurances that all data would be used exclusively for academic research. Accordingly, to maintain anonymity, informants are identified throughout this article solely by their professional roles rather than by their personal names.

DISCUSSION

1. General Overview of the Research Object

Hotel Horison Ultima Ratu Serang is a four-star hotel located in the center of Serang City, Banten Province. As part of the Horison Hotels Group network, this hotel caters to various market segments, including business travelers, Meeting, Incentive, Convention, and Exhibition (MICE) activities, government agencies, and family tourists. Its strategic location and comprehensive facilities make this hotel one of the primary accommodation choices for tourists and business travelers in the Banten region.

Banten Province is known as a region with religious community characteristics, with a predominantly Muslim population. This condition has influenced the growing public need for accommodation services capable of accommodating sharia values,

especially for Muslim tourists. Addressing these market demands, Hotel Horison Ultima Ratu Serang has operationalized a suite of Muslim-friendly services and facilities designed to enhance guest comfort. Key implementations include halal-certified food and beverage provisions, dedicated worship infrastructure, and service practices grounded in Islamic ethical standards.

Nevertheless, based on its formal operational licensing and regulatory status, Hotel Horison Ultima Ratu Serang operates as a conventional accommodation provider and lacks official accreditation as a Sharia-compliant hotel. Consequently, examining the degree to which Sharia tourism principles are integrated into its daily operations offers a compelling empirical inquiry, particularly regarding alignment with DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 and Ministry of Tourism and Creative Economy Regulation No. 2 of 2014. This analysis provides critical empirical insights into how conventional hospitality establishments operationalize halal standards when adopting a Muslim-friendly framework, while concurrently offering strategic contributions to refine governance mechanisms for Sharia-aligned hospitality.

2. Implementation of Sharia Tourism Regulations in the Hotel

Interview and observational data demonstrate that Hotel Horison Ultima Ratu Serang has integrated Sharia tourism principles into several operational domains to support Muslim guests. This compliance is most pronounced in guest-facing services that shape the customer experience, notably through the provision of halal-certified food and beverages, accessible prayer facilities, and the maintenance of a secure, welcoming, and family-oriented environment.

On the other hand, several aspects related to administrative provisions and governance based on sharia regulations still require further development. Based on the research findings, guest verification procedures and hotel financial management still refer to the company's generally applicable operational policies. This condition indicates that the implementation of sharia tourism principles at Hotel Horison Ultima Ratu Serang focuses more on providing Muslim-friendly services, while the application of certain administrative provisions in accordance with sharia regulations still requires gradual adjustments in line with the company's policies and development direction.

3. Compliance Analysis against DSN-MUI Fatwa No. 108/DSN-MUI/X/2016

To measure the extent to which the hotel's operations comply with sharia principles, the researcher compared the field data with the parameters of the DSN-MUI Fatwa No. 108/2016 through the following Compliance Matrix:

Table 1. Compliance Matrix of Horison Ultima Ratu Hotel with DSN-MUI Fatwa No. 108/DSN-MUI/X/2016

Fatwa Indicator	Mandatory Requirements of the Fatwa	Actual Findings (Hotel Implementation)	Compliance Status
Food and Beverage	Food and beverages must be certified halal by the Indonesian Council of Ulama (MUI) and must be free from alcohol.	The hotel's main kitchen does not serve pork or alcoholic beverages. All raw materials are sourced from halal-certified suppliers.	Compliant
Prayer Facilities	Hotels must provide adequate prayer facilities, including Qibla direction indicators and prayer equipment.	Every guest room is equipped with a permanent Qibla direction indicator. The hotel also provides a clean, spacious, and well-maintained prayer room complete with mukena (women's prayer garments) and sarongs.	Compliant

Prohibition of Immoral Activities	Hotels must not provide facilities or services that may facilitate adultery, pornography, or other immoral activities.	The hotel strictly prohibits prostitution and the distribution or consumption of alcoholic beverages. However, the front desk does not require proof of marriage from couples during check-in and only verifies guests' identity cards.	Partially Compliant
Entertainment	Entertainment facilities (e.g., music and television) must not promote polytheism, immorality, or unethical behavior.	Television channels are filtered to exclude adult content. Live music performances in the lounge feature general popular songs that comply with public ethical standards.	Partially Compliant
Financial Institution	Hotels are required to use the services of Islamic Financial Institutions (IFIs).	Procurement transactions, employee payroll, and asset insurance are predominantly conducted through	Non-Compliant

		conventional banks under the hotel's corporate management.	
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Narrative Analysis:

An analysis of the compliance indicators in DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 reveals that Hotel Horison Ultima Ratu Serang has largely operationalized Sharia tourism principles in its guest services. Compliance is especially prominent in offering halal-certified food and beverages, providing dedicated worship facilities, and fostering a secure, family-friendly atmosphere. These practices underscore management's commitment to addressing the essential (*darūriyyāt*) needs of Muslim travelers by aligning everyday hospitality operations with Islamic guidelines.

On the other hand, the research findings also reveal that several indicators related to institutional governance and administration still require strengthening to better align with the provisions set forth in the DSN-MUI Fatwa. Aspects such as the utilization of Islamic financial institutions for operational activities and guest verification mechanisms in accordance with sharia principles have not been fully implemented. Based on the interview results, this condition is influenced by the company's operational policies, which are integrated at the corporate level, thereby limiting the scope of decision-making at the hotel unit level. Furthermore, the characteristics of the market served by the hotel, which encompasses general tourists, business travelers, and Meeting, Incentive, Convention, and Exhibition (MICE) activities, also serve as a consideration in the formulation of operational policies.

These findings indicate that the implementation of sharia tourism regulations at Hotel Horison Ultima Ratu Serang is more prominent in the service aspect (service compliance), namely fulfilling the needs and comfort of Muslim tourists, compared to the administrative compliance aspect, which relates to comprehensive institutional governance. Consequently, the hotel's level of compliance can be categorized as performing well on indicators directly associated with service quality, whereas several

institutional indicators still require gradual adjustments in accordance with corporate policies, organizational readiness, and the development of applicable regulations.

Overall, the research results demonstrate that Hotel Horison Ultima Ratu Serang has integrated several sharia tourism principles into its operations through a Muslim-friendly approach. This approach provides added value for Muslim tourists without diminishing the quality of service for other guest segments. Therefore, strengthening the implementation of governance aspects, Islamic financial systems, and internal supervisory mechanisms is expected to further enhance the hotel's level of compliance with the DSN-MUI Fatwa Number 108/DSN-MUI/X/2016 and support the development of a hospitality industry that aligns with sharia principles.

4. Compliance Analysis with the Regulation of the Minister of Tourism and Creative Economy No. 2 of 2014

Under the Ministry of Tourism and Creative Economy Regulation (Permenparekraf) No. 2 of 2014, Sharia hotel standards are structured into three distinct tiers: basic mandatory criteria, Hilal 1, and Hilal 2. Given the hotel's existing market classification, this study focuses on assessing its adherence to the baseline operational benchmarks set by the Hilal 1 standard.

Table 2. Compliance Matrix with the Regulation of the Minister of Tourism and Creative Economy No. 2 of 2014 (Hilal 1 Criteria)

Assessment Aspect	Ministerial Regulation Standard (Hilal 1)	Hotel Operational Evaluation	Compliance Level
Product Aspect	Guest room bathrooms must be equipped with a water spray (bidet) to facilitate ritual purification.	All guest room bathrooms, from standard to suite categories, are equipped with toilets featuring running water	High

		(bidets) for <i>istinja'</i> (post-toilet cleansing).	
Service Aspect	The hotel must implement Standard Operating Procedures (SOPs) that ensure services are delivered in accordance with Islamic etiquette.	staff members are trained to be courteous and professional and wear modest uniforms. However, wearing the hijab is not mandatory for all female staff, and no specific SOP requiring the use of Islamic greetings has been established.	Moderate
Management Aspect	Hotel management must possess a Halal Kitchen Certificate and an organizational structure that incorporates Sharia compliance.	The management structure does not include a Sharia Supervisory Board (SSB), and the hotel has not officially applied for Sharia Hotel Business certification from the DSN-MUI.	Low

5. Analysis of Supporting and Inhibiting Factors

Supporting Factors:

- a. Regional Religious Culture: Banten Province (particularly Serang City) features a predominantly Muslim population and numerous Islamic educational institutions. These conditions shape guest expectations, driving management to offer halal food, prayer facilities, and services aligned with local cultural ethics.
- b. MICE Market Demand: The hotel serves events for government bodies, educational institutions, and corporate entities that expect certified halal dining and convenient prayer facilities. Meeting these needs serves as a competitive advantage.
- c. Existing Infrastructure: Management effectively leverages clean kitchens, supplier halal standards, and in-room Qibla indicators without needing capital-intensive structural changes.

Inhibiting Factors:

- a. Diverse Market Segmentation: Serving international guests, corporate clients, and general tourists prompts management to adopt inclusive "Muslim-friendly" practices rather than formally converting to full Sharia status, which might alienate non-Muslim segments.
- b. Corporate Operational Governance: Centralized financial structures from the Horison Group head office restrict local hotel unit decisions regarding banking, payroll, and supplier transactions.
- c. Absence of Regional Mandates: The lack of local government regulations compelling star-rated hotels to obtain Sharia certification leaves room for voluntary, market-driven adaptation.

6. Synthesized Analytical Discussion and Reviewer Integration

The empirical findings demonstrate that operational adherence at Hotel Horison Ultima Ratu Serang exhibits significant variance when evaluated against the benchmarks codified in DSN-MUI Fatwa No. 108/DSN-MUI/X/2016 and Ministry of Tourism and Creative Economy Regulation No. 2 of 2014. Although the establishment has effectively integrated Sharia principles into its front-of-house service delivery and routine

workflows, complete regulatory alignment continues to be constrained by persistent institutional and structural impediments.

This outcome validates Compliance Theory (Tyler, 2006), which distinguishes between normative compliance and instrumental compliance. Hotel Horison Ultima Ratu demonstrates instrumental compliance—adhering to Sharia principles like halal dining and prayer facilities primarily due to market incentives and guest satisfaction, rather than ideological submission to formal administrative requirements. This aligns with Jaelani (2017) and Subarkah (2021), confirming that Indonesian hotels frequently remain in the "Muslim-friendly tourism" phase rather than evolving into fully certified "Sharia-compliant hotels". A gap persists between the DSN-MUI Fatwa demanding *kaffah* (comprehensive) Sharia operations and the realities of modern commercial hospitality.

a. Observable Compliance and the Realization of Ḥifẓ al-Dīn

The availability of halal-certified food and appropriate worship facilities indicates that the hotel places considerable emphasis on complying with the visible and market-oriented dimensions of Sharia tourism. From the perspective of Compliance Theory (Tyler, 2006), this reflects normative compliance, whereby organizational behavior is shaped not only by regulatory requirements but also by stakeholder expectations and the pursuit of organizational legitimacy. The growing demand for Muslim-friendly tourism services has encouraged hotel management to adopt observable Sharia attributes that strengthen customer confidence and enhance market competitiveness. From the perspective of *Maqāṣid al-Sharī'ah*, these practices also embody the principle of *ḥifẓ al-dīn* (the protection of religion) by facilitating Muslim guests in fulfilling their religious obligations throughout their stay.

b. Selective Compliance in Guest Verification and Financial Governance

Although the hotel complied with several operational indicators, partial compliance in financial governance and guest verification suggests that compliance is selective rather than comprehensive. According to Compliance Theory (Tyler, 2006), organizations often prioritize regulations perceived as economically beneficial while postponing compliance with requirements that generate additional operational costs or reduce market flexibility.

This is particularly evident in guest verification procedures, where market segmentation strategies create a dilemma for the management. As the Front Office Manager stated:

"Most guests expect halal food and prayer facilities, but requiring proof of marriage may negatively affect customer acceptance because we also serve non-Muslim guests."

Similarly, the absence of Islamic financial transactions indicates that the realization of *hifz al-māl* (the protection of wealth) remains incomplete because hotel financial operations continue to rely on conventional banking systems. Interviews revealed that financial policies are determined by the corporate headquarters rather than the local hotel management. Consequently, the hotel has limited authority to migrate to Islamic financial institutions despite its intention to strengthen Sharia compliance. This structural limitation was confirmed by Informant 1:

"Operational policies regarding banking services are determined by the corporate headquarters. Therefore, our hotel cannot independently decide to collaborate exclusively with Islamic financial institutions."

c. Alignment with Previous Studies and Implications

The present findings support Mashuri (2020), who reported that many Indonesian hotels prioritize halal food and worship facilities while facing challenges in implementing Islamic financial systems. However, unlike Mashuri (2020), this study demonstrates that the absence of a Sharia Supervisory Board constitutes an additional institutional barrier affecting comprehensive compliance.

These findings yield significant implications for both academic literature and industry practice:

- a. Academic Implications: This study extends Compliance Theory by demonstrating that organizational compliance with Sharia regulations is influenced by institutional authority, market orientation, and corporate governance rather than solely by legal obligations.
- b. Practical Implications: The findings suggest that hotel operators should establish Sharia Supervisory Boards and gradually integrate Islamic financial services to achieve more comprehensive compliance with national Sharia tourism regulations.

CONCLUSION

This study indicates that the implementation of Sharia tourism principles at Hotel Horison Ultima Ratu Serang is primarily influenced by market demand and service-oriented adaptation rather than by comprehensive institutional compliance. Although the hotel has successfully fulfilled observable operational requirements, including the provision of MUI halal-certified food and accessible worship facilities, its compliance with formal governance and administrative provisions remains limited. These limitations are evident in areas such as the integration of Islamic financial practices, the verification of marital status for guests, and the establishment of oversight by a Sharia Supervisory Board.

a. Theoretical Implications

This research contributes to the conceptual development of Sharia compliance in the hospitality industry by expanding Compliance Theory (Tyler, 2006). It shows that organizational compliance in non-certificated "Muslim-friendly" hotels operates on a spectrum between instrumental market compliance and normative institutional compliance. The findings establish that Sharia compliance is not merely a binary state of legal adherence, but a negotiation influenced by corporate decision-making structures, brand positioning, and market heterogeneity.

b. Practical Implications

For hotel operators and corporate management, this study provides a framework for transitioning from basic "Muslim-friendly" services toward formal Sharia certification. It highlights the necessity for corporate headquarters to grant branch units operational flexibility in adopting regional Islamic financial services and establishing localized compliance oversight without alienating non-Muslim guest segments.

c. Limitations of the Study

This study has two primary limitations that should be noted:
Single-Case Focus:

- a. The empirical scope is restricted to a single four-star hotel unit within a conventional chain in Banten, which may limit the direct generalizability of the findings to independent hotels or different geographical regions.
- b. Stakeholder Perspective Scope: The analysis primarily reflects the perspectives of hotel management and operational staff, omitting direct empirical feedback from non-Muslim guests and regulatory authorities.

d. Prioritized Recommendations & Policy Feasibility

1. High Priority (Immediate Operational Feasibility): Establish an internal Sharia advisory task force and formalize Islamic service etiquette (SOPs) within local management control.
2. Medium Priority (Strategic Feasibility): Gradually integrate Islamic financial institutions for localized operational expenditures, subject to corporate approval mechanisms.
3. Long-Term Priority (Policy & Governance Feasibility): Collaborate with regional tourism boards and the DSN-MUI to establish phased certification pathways that accommodate mixed-market conventional hotels.

e. Future Research Directions

Future researchers are recommended to conduct quantitative comparative studies or multi-case studies incorporating the preferences of non-Muslim guest segments as well as policy evaluations from regulators and local governments to broaden the theoretical generalizability of the findings.

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